



Finance Committee Meeting Minutes May 8, 2105

A meeting of the Finance Committee of the Board of Directors of New Hampshire Health Plan was held on Friday May 8, 2015 at 1:30 PM at the New London Hospital.

Attending the meeting were the following individuals:

Finance Committee Members

Bruce King, Chairman
David Ellis - by teleconference
David Sky – by teleconference
Brandy Millen – by teleconference

Other Parties

Michael Degnan – Helms & Co
John Hastings – Helms & Co
Leslie Walker – Mason & Rich
Andrew Luce – Mason & Rich
Mark McCue – HAS – by teleconference

Mr. King welcomed the Committee members, staff, Attorney McCue, Leslie Walker and Andrew Luce, auditors. Mr. King asked Committee members if there were any changes proposed to minutes of December 18, 2014 Finance Committee meeting. There being none, *Mr. King declared the minutes were approved as written.*

Mr. King asked the auditors if they would report on the results of the 2014 audit. Mr. Luce reviewed the significant aspects of the audit:

The financial statements received an “unqualified” opinion.

The single audit contained an “unqualified” opinion.

Mr. Luce continued, noting that there were no questioned costs identified in relation to federal awards program audit, and no required communications. Mr. Luce reviewed the significant transactions in 2014 which included the expiration of the Line of Credit, decreased activity in the high risk pool, and increased activity with the Consumer Assistance Partnership Exchange Grants, as well as the termination of the FED High Risk Pool.

A management comment letter was discussed which noted an invoice for services in 2015 which had been incorrectly recorded in 2014. Mr. Hastings added that improved procedures and review steps had been implemented to prevent futures mistakes such as the one identified.

Mr. Luce reviewed the Form 990 tax return with the Committee. *Mr. McCue recommended some changes in the wording of certain statements in the tax return to which the auditors agreed.*

Mr. Luce noted that the Single Audit report would be filed electronically with the Fed by Helms following acceptance by the Board, and the Form 990 tax return would be put on extension since

it is due May 15th, and would then be filed electronically by Mason & Rich following approval by the Board and signature on the electronic filing authority by Ms. Roberts.

Finally, Mr. Luce reviewed plans for the 2015 audit which would focus on the remaining activity of the state high risk pool and continued audit of the Consumer Assistance Grant transactions as well as Single Audit compliance.

The Finance Committee then went into executive session.

Following executive session, Mr. King made a motion to: accept the audit report including the Single Audit report and the Management Letter, and the Form 990, subject to the receipt of Mr. McCue's changes to statements in the 990, and proposing that the Finance Committee recommend to the Board of Directors its approval of these reports and the Form 990 tax return. Ms. Millen seconded and all were in favor.

Mr. King also asked for a motion to allow him to sign the Representation Letter which was made, seconded and approved by all.

Mr. King excused the auditors from the meeting and asked Mr. Hastings to briefly review the financial statements for March. Mr. Hastings briefly reviewed the IBNR report for March, noting the State IBNR dropped significantly from \$82,000 at December 31, 2014 to \$5,000 at March 31, 2015 principally reflecting the end of the claims "runout" following termination of the program June 30, 2014 and only \$2,445 in claims paid in the quarter ending March 31, 2015

Mr. Hastings noted that Cash and Investments declined from \$2.96M at December 31, 2014 to \$2.8M at March 31, 2015 in line with projections. Mr. Hastings pointed out the cash forecast to the end of the program reflects an excess balance of \$2.29M, very close to previous estimates.

Mr. Hastings spoke to the Consumer Assistance Grants. The first grant of \$5.7M has been completed and closed. All of the grant funds were spent. The second grant of \$3.2M is nearly completed although a "no cost extension" has been received allowing NHHP to extend up to \$1.05M of the grant to be paid until December 31, 2015. And the third grant of \$3.39M is just starting and only \$322k has been spent. This third grant expires at the end of 2015 as well. Mr. Degnan spoke briefly about the Consumer Assistance Grant [noting that more than 50,000 New Hampshire uninsured residents have now been enrolled on Obamacare but the remaining uninsured will be more difficult to reach and assist in purchasing insurance.]

There being no further business, the meeting was adjourned at 2:35PM.

Respectfully submitted,
J. Michael Degnan